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PROTECTION • SERVICE • INTEGRITY

Canada Border Services Agency

Part III – Departmental Performance Report

2010–11
Estimates

The Honourable Vic Toews, P.C., Q.C., M.P.
Minister of Public Safety

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MESSAGE FROM THE MINISTER

The Honourable Vic Toews, P.C., Q.C., M.P.
Minister of Public Safety

As Minister of Public Safety, I am pleased to present to Parliament the Canada Border Services Agency's (CBSA) *2010–11 Departmental Performance Report*.

The CBSA is the Government of Canada organization responsible for managing who and what crosses the Canadian border. The Agency's ultimate goal is to ensure public safety and security, and contribute to the health, safety and economic well-being of our country.

In 2010–11, the CBSA outlined and pursued its vision of *an integrated border agency that is recognized for service excellence in ensuring Canada's security and prosperity*. Over the past year, the Agency reduced border wait times for travellers and commercial cargo, removed over 15,000 people deemed inadmissible to Canada and launched a program of change which reorganized 4,000 positions at Headquarters and drove an Agency re-branding exercise, culminating with the unveiling of a new heraldic badge before Her Majesty Queen Elizabeth II.

The CBSA also successfully managed the arrival of almost 500 migrants aboard the marine vessel Sun Sea, demonstrating the Agency's ability to respond to challenging circumstances with skill and proficiency.

The Agency's successful ongoing engagement with its United States customs and immigration counterparts was a major foundation for the February announcement by Prime Minister Harper and President Obama of a Shared Vision for Perimeter Security and Economic Competitiveness.

As Minister responsible for the CBSA, I share the pride of the men and women of the Agency who deliver high quality border services which protect our security and facilitate trade, and who epitomize the Agency's motto of *Protection, Service* and *Integrity*.

The Honourable Vic Toews, P.C., Q.C., M.P.
Minister of Public Safety

SECTION I: DEPARTMENTAL OVERVIEW

RAISON D'ÊTRE

The Canada Border Services Agency (CBSA) provides integrated border services that support national security priorities and facilitate the free flow of people and goods, including food, plants, animals and related products across the border.

RESPONSIBILITIES

Created in 2003, the CBSA is an integral part of the Public Safety Portfolio, which is responsible for integrated national security, emergency management, law enforcement, corrections, crime prevention and border management operations. Specific responsibilities include the following:

- administering legislation (over 90 acts) that governs the admissibility of people, goods and plants and animals into and out of Canada;
- detaining those people who may pose a threat to Canada;
- identifying and removing people who are inadmissible to Canada, including those involved in terrorism, organized crime, war crimes or crimes against humanity;
- interdicting illegal goods entering or leaving the country;
- protecting food safety, plant and animal health, and Canada's resource base;
- promoting Canadian business and economic benefits by administering trade legislation and trade agreements to meet Canada's international obligations, including the enforcement of trade remedies that help protect Canadian industry from the injurious effects of dumped and subsidized imported goods;
- administering a fair and impartial redress mechanism; and
- collecting applicable duties and taxes on imported goods.

Examples of Acts Administered by the CBSA

- *Agriculture and Agri-Food Administrative Monetary Penalties Act*
- *Canada Border Services Agency Act*
- *Citizenship Act*
- *Criminal Code*
- *Customs Act*
- *Customs Tariff*
- *Excise Act*
- *Excise Tax Act*
- *Export and Import Permits Act*
- *Food and Drugs Act*
- *Health of Animals Act*
- *Immigration and Refugee Protection Act*
- *Plant Protection Act*
- *Special Import Measures Act*

CBSA Service Locations

The CBSA provides services at approximately 1,200 service points across Canada and some international locations, including the following:

- 117 land border crossings
- 27 rail sites
- 13 international airports
- 440 small vessel marina reporting sites
- 12 ferry terminals
- 82 customs warehouses
- 3 postal processing plants
- 3 detention facilities
- 48 international locations staffed with migration integrity officers
- 5 major marine port facilities

Strategic Outcomes and Program Activity Architecture

The CBSA's two strategic outcomes and Program Activity Architecture for 2010–11 are shown below.

2010–11 Program Activity Architecture

Strategic Outcomes	Canada's population is safe and secure from border-related risks.		Legitimate travellers and goods move freely and lawfully across the border.			
Strategic Outcome Description	In providing integrated border services, the CBSA prevents the movement of unlawful people and goods across the border.		In providing integrated border services, the CBSA facilitates the flow of legitimate people and goods in compliance with border legislation and regulations.			
Program Activity	**Risk Assessment**	**Enforcement**	**Facilitated Border**	**Conventional Border**	**Trade**	**Recourse**
Program Sub-activity	Screening Abroad	Port of Entry Enforcement - People	Facilitated - People	Conventional - People	Anti-dumping and Countervailing	Trade Disputes
	Targeting - People	Port of Entry Enforcement - Commercial	Facilitated - Commercial	Conventional - Commercial	Tariff, Origin and Valuation	Adjudications
	Targeting - Commercial	Inland Enforcement				
		Criminal Investigations				

For 2010–11, the CBSA made minor amendments to its 2009–10 Program Activity Architecture. These included the addition of new program sub-activities, as well as revised program activity and program sub-activity descriptions. The changes strengthen the Agency's Program Activity Architecture by providing a more complete inventory of the CBSA's programs and further clarity with respect to the logical relationship between the Agency's programs and its strategic outcomes.

ORGANIZATIONAL PRIORITIES

Priority: Improve the capacity to target high risks as early as possible in the travel and supply chain continuum.	**Type:** Previously committed to

Strategic Outcome 1
Program Activities: Risk Assessment and Enforcement

Status: Mostly Met

- Major achievements included advancement of the eManifest project, the development of a new Targeting Business Model, improvement of pre-arrival risk assessment systems for people and goods, intelligence gathering and information sharing with domestic and international partners.
- The CBSA continues to enhance its capacity to identify and intercept people and goods of high or unknown risk before and at the border, which contributes to keeping Canada's population safe and secure from border-related risks. This will remain a priority in 2011–12.

Priority: Improve the efficiency of border processes for legitimate people and goods.	**Type:** Previously committed to

Strategic Outcome 2
Program Activities: Facilitated Border and Conventional Border

Status: Mostly Met

- Major achievements included the implementation of an operation plan to meet peak summer period demand and reduce border wait times at the busiest ports of entry, the development of a trusted trader strategy, a resource modelling framework, strengthening of a service strategy, advancement of the Single Window Initiative and expanded integrity awareness and security training.
- The CBSA continues to improve and streamline border clearance processes to reduce wait times and improve client service, which contributes to enabling legitimate travellers and goods to move freely and lawfully across the border. This will remain a priority in 2011–12.

Priority: Improve management tools, corporate procedures and organization.	**Type:** Ongoing

Strategic Outcomes 1 and 2
Internal Services

Status: Mostly Met

- Major achievements included the implementation of the second phase of the Agency's Change Agenda, an internal transformation initiative to promote service excellence and strengthen people and corporate management.
- The CBSA continues to entrench a culture of service excellence, to attract, retain and develop the right people with the right skills, and to ensure that the Agency's programs and services are managed consistently through rigorous financial management and performance monitoring. This contributes to a more effectively managed and integrated organization better positioned to carry out its mandate. This will remain a priority in 2011–12.

Operating Environment

The CBSA is a unique organization, one that is both the face of Canada at the border, welcoming returning residents and visitors, and a professional enforcement agency responsible for interdicting and preventing the entry of inadmissible people and goods. Balancing these roles in an increasingly complex and dynamic operating environment requires a strong commitment to service excellence that is underpinned by the Agency's values of respect, integrity and professionalism.

Over the past year, the CBSA demonstrated this commitment by rapidly adapting and effectively responding to planned and unforeseen major events, including the G8 and G20 Summits as well as the arrival of the Sun Sea migrant vessel, which resulted in large surges in workload volumes. In addition, the strength of the Canadian dollar relative to its American counterpart has increased traveller and commercial workload volumes at the busiest ports of entry across the country, many of which were already operating at, or in some cases, in excess of, their full capacity during peak periods.

In 2010, the CBSA adopted a new Vision Statement – *An integrated border agency that is recognized for service excellence in ensuring Canada's security and prosperity* – to clearly communicate to employees, partners, clients and stakeholders the Agency's commitment to service excellence.

To address these challenges, border operations were made more efficient through targeted operational plans to meet peak summer period demand, increasingly effective planning and allocation of resources across the ports of entry, and better client outreach. Based on these efforts, the Agency was better positioned to maintain its service standards at some of the busiest ports of entry.

While addressing these increased volumes, the CBSA also contended with a constantly evolving threat environment. The Agency contributed to strengthening the security of the border through targeted and diligent enforcement actions, and helped prevent the abuse of Canada's immigration system by human smugglers. Notable enforcement successes included removing a record number of inadmissible people (over 15,000) and maintaining the integrity of Canada's immigration system through effective processing of the mass arrival of migrants. The CBSA's efforts to address the arrivals of the irregular migrants and its conduct throughout the process, from the design of the reception site to the immediate treatment of medical needs, were recognized and praised internationally.

In delivering on the CBSA's border management mandate, close interaction and cooperation with key border management partners is fundamental for the Agency to deal with emerging threats and to jointly mitigate common and interrelated risks. Significant efforts were made to proactively

engage U.S. Customs and Border Protection, the Agency's primary border management partner. The Agency completed a joint border threat and risk assessment and reached an agreement to improve information sharing, support policy and program harmonization, and pursue shared infrastructure. The strengthened relationship with the United States positioned the Agency to support the negotiation and implementation of the Canada–U.S. Shared Vision for Perimeter Security and Economic Competitiveness. The Agency also realigned and expanded its commercial stakeholder forums to address integrated border issues and to focus on identifying improvements to commercial examination and clearance processes.

To better position the Agency to identify and respond effectively to emergent trends, the CBSA launched a transformational initiative called the Change Agenda in 2009. The second phase was implemented in 2010–11 to solidify the achievements of the previous phase and further strengthen the Agency's commitment to service excellence. This commitment was represented across three core areas that will continue to guide the Change Agenda as it progresses – People Management, Management Excellence, and Front-line Service Delivery. The CBSA continued the implementation of a new management model that promotes an integrated approach to resource management. Concerted efforts were also undertaken to actively engage with employees and stakeholders to explore opportunities to improve upon the services and value being provided. These measures respond to the broader Government of Canada priority to return to a balanced budget and put in place the structures and processes required to meet the high expectations of stakeholders and thrive in a complex operating environment.

Risk Analysis

Given the dynamic and complex operating environment, as well as the breadth and importance of the CBSA's mandate, the Agency has taken important steps to ensure that it is well-positioned to identify and address potential risks to the achievement of its strategic outcomes. Two types of risks were identified in the *2010–11 Report on Plans and Priorities*: operational risks – risks that the Agency is mandated to address on behalf of Canada, and corporate risks – risks to the Agency's ability to deliver its programs.

In 2010–11, significant progress was made in addressing the Agency's operational risks. Threats such as terrorism, contraband, irregular migration and unsafe food and products were mitigated to the greatest extent possible by improving the Agency's targeting and intelligence programs and strengthening risk analysis and targeting systems for people and goods.

The Agency also undertook actions to mitigate three corporate risks related to human resources (recruitment, development and retention), as well as corporate risks related to the sufficiency of information technology systems and the Agency's ability to optimally manage its border programs.

To address the Agency's human resources-related risks, a talent management program for executives was implemented and a learning framework to support employee development was established. In addition, ongoing progress has been made in the development of a people management framework which will ensure that roles and responsibilities are clearly defined and a clear direction is established for professional development. To mitigate risks related to the Agency's information technology systems, funding was secured through Budget 2010 to enhance data recovery. A data centre recovery project is underway which will establish a timely recovery capability for information technology services in the event of a major disaster.

The identification and incorporation of risks into program decision-making processes was facilitated by the Agency's transition to a new management model. The management model has helped to clarify accountabilities, improve program design and delivery and promote strong resource management capabilities, including effective financial planning, budgeting and monitoring. As the new management model matures, the integration of program risks and performance measures will directly inform the allocation of resources and the assessment of program performance.

SUMMARY OF PERFORMANCE

Total Financial and Human Resources

The following tables provide summary data on the total financial and human resources of the CBSA for 2010–11.

($ thousands)

Financial Resources for 2010–11		
Planned Spending[1]	**Total Authorities**[2]	**Actual Spending**
1,629,707	1,879,228	1,695,552

[1] Planned Spending comprises Main Estimates and additional funding earmarked for the CBSA in the federal Budgets.
[2] Total Authorities comprises Main Estimates, Supplementary Estimates, carry forwards and transfers from Treasury Board centrally financed votes.

(Full-time equivalents)

Human Resources for 2010–11		
Planned	**Actual**	**Difference***
13,607	14,518	(911)

* There is a variance between Planned and Actual Values for full-time equivalents in certain program activities due to the significant changes made to the CBSA's Program Activity Architecture structure in 2010–11, as well as changes in the methodology used in assigning full-time equivalents to specific program activities. Measures have been taken to ensure future full-time equivalents numbers are accounted for in a consistent manner.

There was a difference of $184 million between total authorities and actual spending.

The $62.1-million lapse in operating expenditures was related mainly to project delays. The Agency experienced delays in the acquisition and implementation of technology investments related to eManifest and detection technology equipment, as well as information technology infrastructures under the Shared Infrastructure Platform and Data Recovery Centre projects. Other project delays include the arming of CBSA officers and the procurement of uniforms. Adjustments to the annual fee paid by the CBSA to Canada Post for the delivery and collection of required duties and taxes assessed on international mail also contributed to the lapse.

The $121.5-million lapse in capital expenditures was related mainly to delays in infrastructure projects at the CBSA Learning Centre in Rigaud, Quebec, procurement issues related to detection technology equipment and facility upgrades, and the procurement of specialty equipment.

Strategic Outcome 1: Canada's population is safe and secure from border-related risks.

Performance Indicators:	2010–11 Performance	2009–10 Performance
• The percentage of improperly documented people seeking to fly to Canada that were intercepted.	79%	75%
• The total number of people removed from Canada.	15,150	14,870

2010–11 Performance:
The CBSA continued to identify and intercept people and goods that are inadmissible to Canada. Compared to 2009–10, the interception of improperly documented people seeking to fly to Canada increased by 4.0 percent and the total number of individuals removed from Canada increased by 1.9 percent.

Program Activity	Actual Spending 2009–10[1]	Main Estimates 2010–11	Planned Spending 2010–11[1]	Total Authorities 2010–11[2]	Actual Spending 2010–11	Alignment to Government of Canada Outcomes
	($ thousands)					
1.1 Risk Assessment	131,930	123,105	123,199	155,647	110,480	A strong and mutually beneficial North American partnership
1.2 Enforcement	215,108	312,919	313,013	382,215	244,338	Safe and secure communities
Total Spending	**347,038**	**436,024**	**436,212**	**537,862**	**354,818**	

[1] Planned Spending comprises Main Estimates and additional funding earmarked for the CBSA in federal Budgets.
[2] Total Authorities comprises Main Estimates, Supplementary Estimates, carry forwards and transfers from Treasury Board centrally financed votes.

Strategic Outcome 2: Legitimate travellers and goods move freely and lawfully across our borders.

Performance Indicators:	2010–11 Performance	2009–10 Performance
• Total number of people processed	**92,339,312**	**85,890,895**
Air	24,581,291	22,629,552
Highway	64,548,495	60,078,754
Marine	2,923,153	2,930,290
Rail	286,373	252,299
• Total number of shipments released	**13,154,559**	**11,859,347**
Air	3,122,946	2,812,311
Highway	9,216,126	8,294,431
Marine	448,887	428,124
Rail	366,600	324,481

2010–11 Performance:
The CBSA continued to operate the border smoothly for people and shipments seeking entry into Canada. Compared to 2009–10, the total number of people processed and shipments released increased significantly as 7.5 percent more people were processed and 10.9 percent more shipments were released.

Program Activity	Actual Spending 2009–10[1]	Main Estimates 2010–11	Planned Spending 2010–11[1]	Total Authorities 2010–11[2]	Actual Spending 2010–11	Alignment to Government of Canada Outcomes
	($ thousands)					
2.1 Facilitated Border	33,539	30,363	30,363	30,387	34,599	Strong economic growth
2.2 Conventional Border	547,540	530,424	531,342	570,623	568,088	Strong economic growth
2.3 Trade	70,253	43,995	43,995	40,684	64,771	A fair and secure marketplace
2.4 Recourse	8,100	9,011	9,011	12,022	9,396	A fair and secure marketplace
Total Spending	**659,432**	**613,793**	**614,711**	**653,716**	**676,854**	

[1] Planned Spending comprises Main Estimates and additional funding earmarked for the CBSA in federal Budgets.
[2] Total Authorities comprises Main Estimates, Supplementary Estimates, carry forwards and transfers from Treasury Board centrally financed votes.

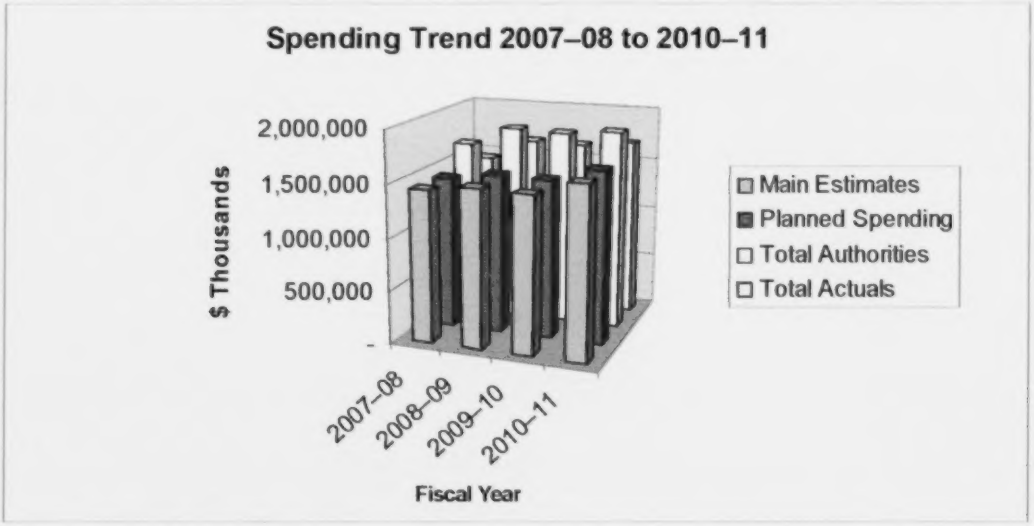
Internal Services

	Actual Spending 2009–10[1]	Main Estimates 2010–11	Planned Spending 2010–11[1]	Total Authorities 2010–11[2]	Actual Spending 2010–11
	($ thousands)				
Internal Services	634,574	569,574	578,784	687,650	663,880
Total Spending	**634,574**	**569,574**	**578,784**	**687,650**	**663,880**

[1] Planned Spending comprises Main Estimates and additional funding earmarked for the CBSA in federal Budgets.
[2] Total Authorities comprises Main Estimates, Supplementary Estimates, carry forwards and transfers from Treasury Board centrally financed votes.

EXPENDITURE PROFILE

The graph below shows the trends of the Main Estimates, total authorities and actual expenditures for the past four fiscal years. Significant additional investments were made in strategic initiatives over several years, culminating in 2008–09. The CBSA's funding increased in 2010–11 as these initiatives moved towards implementation and integration into regular operations. All figures include Canada's Economic Action Plan.



CANADA'S ECONOMIC ACTION PLAN

In 2010–11, the CBSA continued to make progress in its infrastructure replacements and upgrades to ensure that the Agency is equipped to reliably process the volume of goods and people entering Canada within border wait time standards. In British Columbia, the Agency completed improvements to office facilities at Pacific Highway and Huntington. The Agency also completed housing facilities in Pleasant Camp, British Columbia, and Little Gold Creek, Yukon, to support the Doubling-up Initiative, which ensures that border service officers do not work alone, even in remote areas. Construction continues on various infrastructure projects at Kingsgate, British Columbia, and Prescott, Ontario, the new commercial examination warehouse at Pacific Highway, as well as housing units in Beaver Creek, Yukon. The Agency anticipates that these projects will be completed by 2011–12.

ESTIMATES BY VOTE

For information on our organizational Votes and/or statutory expenditures, please see the *Public Accounts of Canada* (Volume II) for 2010. An electronic version of the *Public Accounts Canada* is available at Public Works and Government Services Canada's website, Public Accounts of Canada 2010.[1]

[1] http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOMES

The CBSA has two strategic outcomes under its 2010–11 Program Activity Architecture. The first strategic outcome and two supporting program activities focus on the Agency's mandate and responsibility to support Canada's national security priorities. The second strategic outcome and four supporting program activities focus on the Agency's mandate and responsibility to facilitate the movement of legitimate people and goods, including food, plants, animals and related products, across the border.

In 2009–10, the Agency's Program Activity Architecture and Performance Measurement Framework was revised to present a more comprehensive inventory of the Agency's programs and to improve program performance indicators and targets. During this development period, with the approval of the Treasury Board of Canada Secretariat, the Agency delayed major changes to its existing Program Activity Architecture and Performance Measurement Framework. As a result, some performance targets were unavailable for 2010–11. During the transition year of 2010–11, the CBSA revised its performance indicators and targets under its new Performance Measurement Framework and incorporated these performance measures into the Agency's *Report on Plans and Priorities* for 2011–12.

STRATEGIC OUTCOME 1 AND SUPPORTING PROGRAM ACTIVITIES

Strategic Outcome: Canada's population is safe and secure from border-related risks.

Description: In providing integrated border services, the CBSA prevents the movement of unlawful people and goods across the border.

Supporting Program Activities: Risk Assessment
Enforcement

Performance Indicators	2010–11 Performance	2009–10 Performance
• The percentage of improperly documented people seeking to fly to Canada who were intercepted abroad.	79%	75%
• The total number of people removed.	15,150	14,870

Program Activity: Risk Assessment

The Risk Assessment program activity "pushes the border out" by seeking to identify high-risk people and goods as early as possible before their arrival at Canada's border. This program activity is an essential element in preserving the safety and security of Canada's population. The program activity assesses information from a wide range of sources to support decisions on visa applicants at overseas missions. CBSA officials also assist local authorities in identifying document fraud, screening irregular migrants and cargo at ports of embarkation and, where possible, preventing their departure. At the National Risk Assessment Centre and in regional targeting units, the CBSA uses advance passenger and cargo information from carriers, importers, exporters and other partners to identify high-risk people and goods before their arrival. Once identified, high-risk people or goods are flagged for closer examination and possible enforcement action at a Canadian port of entry.

Program Activity: Risk Assessment					
2010–11 Financial Resources ($ thousands)			2010–11 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference*
123,199	155,647	110,480	440	1,273	(833)

Expected Result	Performance Indicators	2010–11 Performance	2009–10 Performance
High-risk people and shipments are not allowed to enter Canada.	• Percentage of seizures made as a result of an intelligence indicator or lookout.[1]	11.7%	6.5%
	• Value of seizures made as a result of an intelligence indicator or lookout.[2]	$259,568,488.13	$639,761,664.88

[1] The value of seizures is expressed as a percentage of the total value of all seizures recorded in the CBSA's enforcement systems, which includes seizures made as a result of random inspections or selective examinations.

[2] Significant (large) seizures can skew and/or inflate the results of this indicator from year to year.

* There is a variance between Planned and Actual Values for full-time equivalents in certain program activities due to the significant changes made to the CBSA's Program Activity Architecture structure in 2010–11, as well as changes in the methodology used in assigning full-time equivalents to specific program activities. Measures have been taken to ensure future full-time equivalents numbers are accounted for in a consistent manner.

Performance Summary and Analysis of Program Activity

The CBSA achieved the following progress against the commitments made in its *2010–11 Report on Plans and Priorities*.

Implement the next phase of eManifest.

eManifest represents Phase III of the Advance Commercial Information initiative, which is aimed at improving the CBSA's ability to detect shipments that pose a high or unknown risk to the safety and security of Canadians. eManifest will help the Agency protect and secure Canadian frontiers by "pushing the border out," as it will require highway and rail carriers to electronically

submit pre-arrival commercial information (including all cargo, conveyance and crew data). It will also require freight forwarders and importers to electronically submit advance secondary cargo and advance trade data for all modes (marine, air, rail and highway). This will enable the CBSA to more effectively analyze risk, help ensure that efficient border procedures are in place and help secure the international trade supply chain.

Phase III builds upon the successful implementation of key components of Phase I (marine mode) and Phase II (air mode), as well as the risk management strategies within these phases. In 2010–11, the CBSA successfully implemented the eManifest electronic data interchange for highway carriers, enabling carriers to transmit their pre-arrival cargo and conveyance data to the CBSA before arriving at the border. This advance information allows border services officers to detect potential health, safety and security risks before goods reach Canada. It also allows low-risk, legitimate goods to cross the border more efficiently.

Strengthen risk targeting by improving the design, delivery and application of targeting activities.

The CBSA uses targeting as a means to identify and focus on high-risk persons, importers, exporters, carriers and conveyances. This is accomplished by requiring key advance data on persons, conveyances, carriers and goods prior to their arrival in Canada. In 2010–11, the Agency strengthened its risk targeting capabilities by:

- developing a new Targeting Business Model that consolidates resources and activities to a limited number of central locations to ensure optimal program delivery and enhanced national Headquarters oversight. National policy and procedures are being drafted to ensure consistency, reduce duplication and increase efficiency in targeting activities and providing national Headquarters program oversight;
- establishing a new functional authority model for targeting to improve guidance and directions for targeting priorities across the Agency; and
- developing strategies and processes to improve the capture and reporting of targeting results. This will help the Agency to achieve better targeting results for high-risk people and goods by putting into place the processes to measure performance and report on results.

These developments enable the CBSA to continually improve its targeting tools, systems and intelligence information.

Strengthen the Agency's risk analysis systems for people.

The Advance Passenger Information/Passenger Name Record program is designed to protect Canadians by enabling the CBSA to perform a risk assessment on travellers prior to their arrival in Canada by air. This allows the CBSA to identify persons who may require questioning or examination before they arrive in Canada. In 2010–11, the Agency began the implementation of the Passenger Name Record Push Project, which involves re-engineering information systems to

allow airlines and service providers to directly connect to the CBSA to "push" all Advance Passenger Information and Passenger Name Record data to the CBSA for risk assessment. The goal of this initiative is to streamline the data acquisition process to more efficiently and effectively manage this data for risk assessment purposes. The Agency also obtained a mandate to negotiate a new Passenger Name Record Agreement with the European Union on behalf of the Government of Canada. Negotiations are ongoing and focus on solidifying an agreement that will allow Canada to address a number of security and facilitation imperatives and provide for future flexibility in modernizing the Advance Passenger Information / Passenger Name Record program.

Strengthen the Agency's risk analysis systems for goods.

The Advance Commercial Information program provides CBSA officers with electronic pre-arrival cargo information so that they have the right information at the right time to identify health, safety and security threats related to commercial goods before goods arrive in Canada. In 2010–11, the CBSA implemented the Bay Plan data acquisition project, a component of the Advance Commercial Information initiative, to enhance its ability to identify risks within the marine trade supply chain. A bay plan, or vessel stow plan, is a document used by the marine transportation industry to identify the occupied places onboard a vessel, such as the position of containers in a vessel. Obtaining bay plans allows the CBSA to cross-reference between the commercial cargo information reported through the Advance Commercial Information initiative and those provided by the bay plans, thereby enhancing the Agency's targeting and risk assessment capabilities.

Building on the success of the Advance Commercial Information initiative, the CBSA is enhancing its ability to collect additional advance information for marine cargo destined for Canada through the Harmonized Risk Scoring – Advance Trade Data project. In 2010–11, the Agency implemented the U.S. Marine In-Transit application, which strengthened the Agency's ability to assess offshore marine goods destined to Canada via the United States for compliance with Canadian requirements. The U.S. Marine In-Transit is an integral component of the Harmonized Risk Scoring – Advance Trade Data project. When fully implemented in 2013, the Harmonized Risk Scoring – Advance Trade Data project will enable earlier detection and interdiction of security threats within the marine supply chain and enhance the Agency's ability to target shipments that may present a risk to Canada.

Lessons Learned

The ability to gather high-quality data is crucial to the Agency's capacity to identify threats prior to their arrival in Canada. To enhance the quality of data obtained through the Advance Commercial Information program, the Agency implemented a data compliance framework that led to improved data quality and enhanced the Agency's capacity to identify threats before they arrive in Canada.

Implement a national intelligence priority-setting cycle and develop a performance measurement program for the CBSA's Intelligence program.

The Agency is working to improve the congruence between its intelligence priorities and those of the Government of Canada by developing a coordinated process to better identify gaps in program knowledge, develop intelligence requirements and more effectively task operations in the regions and intelligence officers working in the field. In 2010–11, the Agency completed its second annual, national intelligence priority-setting exercise. During the exercise, participants ranked proposed intelligence priorities and sub-categories, including the Government of Canada's intelligence priorities, through a survey involving intelligence consumers within the CBSA and Citizenship and Immigration Canada. The CBSA also implemented a national mandatory intelligence priorities reporting requirement whereby intelligence reports are assessed to determine their qualitative value. A national intelligence reports standards document was included in the implementation of this new reporting requirement, and service standard took the form of reporting standards.

Lessons Learned

The Agency's recent involvement in major events, such as the G8 and G20 Summits and the 2010 Olympic Winter Games, and operations, such as the arrival of the Sun Sea migrant vessel, highlighted a need to expand the Agency's capacity to exchange critical and sensitive information with its partners in a timely and secure fashion when responding to emerging threats and situations. To address this, a secure communications network was implemented in five additional CBSA locations as well as in the Royal Canadian Mounted Police Operations Centre to enable efficient transmission of classified intelligence information and to support intergovernmental cooperation during events and operations.

Program Activity: Enforcement

The Enforcement program activity ensures the safety and security of Canada's population. Working closely with the Risk Assessment program activity, the Enforcement program activity ensures that appropriate enforcement actions are taken against people and goods that are non-compliant with border-related legislation and regulations. At ports of entry, these actions include the identification, detention and reporting of permanent residents or foreign nationals who are inadmissible under the *Immigration and Refugee Protection Act*. Border services officers at ports of entry also detain, seize and impose administrative monetary penalties on goods that are non-compliant with the *Customs Act* or other Canadian legislation and regulations. At inland enforcement offices, CBSA officials identify, investigate and report those suspected of being inadmissible to Canada, and locate and remove those inadmissible persons who do not have a legal right to remain in Canada. This activity is essential to the integrity of Canada's immigration and refugee programs. In addition, CBSA officials at Headquarters and in the regions carry out criminal investigations of offences against border-related legislation.

Program Activity: Enforcement					
2010–11 Financial Resources ($ thousands)			**2010–11 Human Resources (full–time equivalents)**		
Planned Spending	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
313,013	382,215	244,338	2,228	2,203	25

Expected Result	Performance Indicator	2010–11 Performance	2009–10 Performance
Non-compliant people and goods (commercial) are not allowed to enter or stay in Canada.	▪ Percentage of examinations of people that result in an enforcement action.*	1.65%	1.9%
	▪ Percentage of examination of goods (commercial) that result in enforcement action.*	12.96%	11.8%

* An enforcement action is the act of compelling adherence to the law via levying of sanctions (criminal and administrative), seizure of property and detention of culpable persons.

Selected Enforcement Statistics	2010–2011 Performance	2009–2010 Performance
▪ Drug seizures.	10,039	11,580
▪ Prohibited Weapons seized, including firearms.	4,649	9,251
▪ Tobacco seizures.	2,831	3,343
▪ Value of currency seized (value is approximate in $ thousands).	28,000	45,100
▪ Meat, meat products, animals and animal products interceptions.	30,745	17,671
▪ Soil, plants and plant products interceptions.	16,104	10,712

Performance Summary and Analysis of Program Activity

The CBSA achieved the following progress against the commitments made in its *2010–11 Report on Plans and Priorities*.

Implement the Border Risk Management Plan to optimize the Agency's operational capacity to identify and interdict security threats, support risk-based resource allocations and ensure performance results are used in future threat assessments and operational plans.

The Agency's Border Risk Management Plan describes the CBSA's key priorities, operational activities, and mitigation strategies for managing risks along the border continuum. In 2010–11, the Agency set risk-based examination targets, which were implemented by regional operations. The performance and resource data gathered throughout 2010–11 will be used as a baseline to develop a fully risk-based Border Risk Management Plan for 2012–13.

Strategic Outcome 2 and Supporting Program Activities

In 2010–11, the CBSA experienced a significant increase in the number of people processed and shipments released at the border. Compared to 2009–10, the total number of people processed increased by 7.5 percent, while the total number of shipments released increased by 10.9 percent. These increases are largely attributed to the impact of Canada's economic recovery and the strength of the Canadian dollar on trade and tourism in 2010–11.

Strategic Outcome: Legitimate travellers and goods move freely and lawfully across the border.

Description: In providing integrated border services, the CBSA facilitates the flow of legitimate people and goods in compliance with border legislation and regulations.

Supporting Program Activities: **Facilitated Border**
Conventional Border
Trade
Recourse

Performance Information	2010–11 Performance	2009–10 Performance	Percent Change
Total number of people processed:	**92,339,312**	**85,890,895**	**7.5%**
Air	24,581,291	22,629,552	8.6%
Highway	64,548,495	60,078,754	7.4%
Marine	2,923,153	2,930,290	-0.2%
Rail	286,373	252,299	13.0%
Total number of shipments released:	**13,154,559**	**11,859,347**	**10.9%**
Air	3,122,946	2,812,311	11.0%
Highway	9,216,126	8,294,431	11.0%
Marine	448,887	428,124	4.8%
Rail	366,600	324,481	13.0%

Program Activity: Facilitated Border

The Facilitated Border program activity develops, administers and oversees program requirements, policies, regulations and standards necessary to expedite the international border passage of pre-approved, low-risk people, importers, carriers and goods. In providing a faster and more efficient means of crossing the border in land, air and marine modes, the Facilitated Border program activity reduces border congestion and wait times while managing risk. It contributes to the strengthening of the Canadian economy through the business and tourism sectors. Periodic examinations of people and goods are conducted to ensure ongoing compliance.

Program Activity: Facilitated Border

2010–11 Financial Resources ($ thousands)			2010–11 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
30,363	30,387	34,599	281	249	32

Expected Results	Performance Indicators	2010–11 Performance	2009–10 Performance
People known to be in compliance with applicable legislation enter Canada with minimal delay or no further processing.	▪ Percentage of NEXUS* passages at airports.	2.7%	2.0%
	▪ Percentage of NEXUS passages at land ports of entry.	5.1%	4.7%
	▪ Percentage of NEXUS passages at marine ports of entry.	0.02%	0.01%
	▪ Percentage of CANPASS** passages at airports.	0.07%	0.1%
	▪ Number of NEXUS members.	523,150	396,599

* The NEXUS program is a joint initiative with the U.S. Customs and Border Protection designed to expedite the border clearance process for low-risk, pre-approved travellers into Canada and the U.S. NEXUS is available at eight international airports in Canada, 18 dedicated lanes at 18 land ports of entry and at approximately 430 marine reporting sites.

** CANPASS is a similar program that expedites the border clearance process for low-risk, pre-approved travellers into Canada (only) and is available at eight international airports and numerous marine reporting sites in Canada.

Performance Summary and Analysis of Program Activity

The CBSA achieved the following progress against the commitments made in its *2010–11 Report on Plans and Priorities*.

Develop a comprehensive trusted trader strategy to enhance security and increase the benefits of these programs to an enlarged client base, including through better alignment with similar U.S. programs.

The trusted trader programs pre-approve low-risk traders to create a more streamlined and efficient border process that facilitates the movement of legitimate goods while enabling the Agency to focus on higher risk areas to enhance the security and integrity of the supply chain. In 2010–11, the Agency developed a trusted trader strategy to facilitate alignment between programs

in Canada and the United States, streamline the application process, and strengthen program management and delivery. The CBSA also continued to harmonize its Partners in Protection program with the U.S. Customs–Trade Partnership Against Terrorism program, by sharing of information and developing best practices and a single application process for highway carrier companies applying to both programs.

Lessons Learned

The fast growing number of NEXUS members and volume of NEXUS passages has led to an increase in the usage of Traveller Declaration Cards. In 2010–11, the Agency introduced an online Traveller Declaration Card that can be accessed and downloaded by NEXUS members through the CBSA website. Savings resulting from the use of electronic forms enabled the Agency to reallocate resources towards other program improvements, such as procuring technology for additional lanes.

Program Activity: Conventional Border

The Conventional Border program activity develops, administers and oversees the policies, regulations, procedures, alliances and working partnerships necessary to maintain border control while allowing for the free movement of legitimate people and goods (including plants and animals) into and out of Canada. This program activity ensures that the entry of low-risk people and goods is expedited while unknown and high-risk people and goods are properly assessed. The Conventional Border program activity benefits the Canadian economy by contributing to strong business and tourism sectors. The program activity promotes compliance with border legislation and minimizes unnecessary delays at the border. It also contributes to creating a stronger and more prosperous North America by allowing goods and people to move freely across the border.

Program Activity: Conventional Border					
2010–11 Financial Resources ($ thousands)			2010–11 Human Resources (full–time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference*
531,342	570,623	568,088	5,917	6,892	(975)
Expected Results		**Performance Indicators**		**2010–11 Performance**	**2009–10 Performance**
Legitimate people are allowed to enter Canada within established time standards.		• Percentage of time border wait time standards are achieved for people.		95.07%	90%
Legitimate shipments are cleared to enter Canada within established time standards.		• Percentage of time border wait time standards are achieved for goods (commercial traffic).		97.8%	96.3%
Shipments known to be in compliance with applicable legislation enter Canada with minimal delay or no further processing.		• Percentage of compliant shipments examined that were non-resultant.[1]		87%	N/A[2]

[1] Goods examined were found to be in compliance with the border-related legislation.

[2] The corresponding performance indicator was introduced in 2010–11, therefore no data were available for 2009–10.

* There is a variance between Planned and Actual Values for full-time equivalents in certain program activities due to the significant changes made to the CBSA's Program Activity Architecture structure in 2010–11, as well as changes in the methodology used in assigning full-time equivalents to specific program activities. Measures have been taken to ensure future full-time equivalents numbers are accounted for in a consistent manner.

Performance Summary and Analysis of Program Activity

The CBSA achieved the following progress against the commitments made in its *2010–11 Report on Plans and Priorities*.

Develop a resource modelling framework to support the optimal allocation of the Agency's resources and maximize the effectiveness of its border operations.

In 2010–11, the Agency made progress in developing a resource modelling framework to better forecast future demand for border services. This information will be used as a baseline for confirming and validating resource allocations. This tool, once completed, will facilitate the optimal allocation

and scheduling of the Agency's human and financial resources to maximize the effectiveness and efficiency of border operations. When fully implemented, the framework will help the Agency to more effectively allocate its resources to meet increased demand for services and thereby better serve clients.

Strengthen the CBSA's Service Strategy by developing, through consultations with affected stakeholders, an expanded set of service standards, performance indicators, reporting and measurement.

In response to stakeholder consultations, which indicated the need for the CBSA to improve its commitment to citizen-focused service, the Agency is developing a comprehensive Service Strategy. In 2010–11, the Agency published its Service Strategy on internal and external websites, released the CBSA Service Charter and ten service standards, and a service commitment pamphlet. The CBSA also piloted service standard training, now available to all CBSA employees, which will ensure Agency-wide consistency in the development of service standards. In doing so, the Agency is moving towards a service-oriented culture that permeates all business programs, upholds organizational values and guides decision making.

Develop a quality assurance program to monitor the effectiveness of temporary resident permits.

In 2010–11, in response to recommendations made in the 2008 May Report of the Auditor General of Canada, Chapter 7, "Detention and Removal of Individuals", the Agency, in consultation with Citizenship and Immigration Canada, developed a national Quality Assurance Plan for the issuance of temporary resident permits. The purpose of the Quality Assurance Plan is to confirm that border services officers and other delegated authorities issue temporary residents permits in accordance with legislation, policies and procedures. The Quality Assurance Plan was implemented in June 2010, and results were received in September 2010. Based on the findings, updates will be made to operational manuals and training for border services officers to help ensure the proper issuance of temporary resident permits.

Evaluate the Automated Border Clearance pilot project, and its potential for expansion to other international airports in Canada, to facilitate the processing of Canadian citizens and permanent residents returning to Canada.

The Automated Border Clearance pilot project is an innovative concept developed in partnership between the CBSA and the Vancouver Airport Authority. The project offers eligible travellers (Canadian citizens and permanent residents) seeking to enter Canada the option of using self-service kiosk technology as an alternative to traditional primary processing. Automated Border Clearance kiosks allow the CBSA to partially automate the primary passenger process for eligible travellers. Anticipated benefits of Automated Border Clearance include reduced queue times and congestion and increased passenger satisfaction with processing procedures. In 2010–11, the Agency completed an evaluation of Automated Border Clearance pilot project at the Vancouver International Airport. Given the overall results of the assessment, the CBSA is finalizing a

comprehensive business case to assess the costs, benefits and implications of expanding the Automated Border Clearance to other international airports.

Advance the implementation of the Single Window Initiative to support expeditious and secure electronic border processing of shipments by securing the commitment of participating departments and agencies, and building the necessary infrastructure to move forward.

The Single Window Initiative is a joint project between the CBSA and other government departments that seeks to eliminate paper-based reporting of commercial trade data while developing a common electronic interface and framework with the trade community. The development of a method to electronically transfer existing CBSA trade data to participating departments and agencies has been labelled the "Pathfinder" solution. In 2010–11, the Agency implemented the Other Government Department Single Window Pathfinder delivery, providing participating Other Government Department programs with relevant commercial data collected by the CBSA in an electronic format. In addition, the CBSA engaged with other government departments to develop funding strategies for single window end-state. The single window end-state solution will allow certain partnering Other Government Department programs to be actively involved in determining the admissibility of goods, while providing other programs with trade information prior to arrival or on a post-release basis. This initiative aims to streamline the collection of trade data by creating a single electronic interface for businesses to submit to the CBSA and other government departments the pre-arrival information (import and export regulatory requirements) required to clear most shipments at the border.

Lessons Learned

In 2009, the high volume of travellers during the summer months led to a significant increase in border wait times, indicating a need for improved planning and resource allocation methods to meet the operational demands during summer months. To minimize the operational impact of high traffic volumes on border wait times during the summer months, the Agency developed a mitigation strategy to ensure that ports of entry are equipped to accommodate the increase in the number of travellers. The 2010 Summer Action Plan successfully reduced border wait times in comparison to summer 2009 and ensured that border wait times remain within the national service standard throughout the peak summer months.

Program Activity: Trade

The Trade program activity ensures that the Canadian economy and the business community gain maximum benefits from the administration of international and regional trade agreements and domestic legislation governing trade in commercial goods.

In this context, the CBSA is responsible for developing and administering rules, policies, programs and activities that govern the trade-related aspects (origin, valuation, anti-dumping and countervailing measures, tariff and trade incentives) of the movement of goods into Canada. Guided by these rules, policies and programs, importers must account for imported goods and indicate what the imported goods are (tariff), where they come from (origin), how much they are worth (valuation), what duties and taxes are payable, if and how much anti-dumping and countervailing duties are payable, and whether duties can be relieved, remitted or deferred (tariff and trade incentives). Based on risk, the CBSA ensures importer compliance with trade requirements by conducting verification activities to ensure the proper collection of duties and taxes as set by Parliament, by upholding the integrity of trade agreements, by providing protection to Canadian industries and by ensuring the integrity of trade data.

Program Activity: Trade					
2010–11 Financial Resources ($ thousands)			2010–11 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference*
43,995	40,684	64,771	356	580	(224)

Expected Result	Performance Indicators	2010–11 Performance	2009–10 Performance
Canadian business benefits from a level playing field through the imposition of duties and taxes.	▪ Number of Canadian jobs protected as a result of applying the *Special Import Measures Act*.	32,452	32,952
	▪ Value of Canadian production protected as a result of applying the *Special Import Measures Act* (in $ billions).	$6.93	$7.04

* There is a variance between Planned and Actual Values for full-time equivalents in certain program activities due to the significant changes made to the CBSA's Program Activity Architecture structure in 2010–11, as well as changes in the methodology used in assigning full-time equivalents to specific program activities. Measures have been taken to ensure future full-time equivalents numbers are accounted for in a consistent manner.

Performance Summary and Analysis of Program Activity

The CBSA administers and enforces the *Special Import Measures Act* to protect Canadian jobs and production from injurious dumping or subsidizing of imported goods. In 2010–11, 26 anti-dumping and countervailing measures were in place involving imports of 17 different products from various countries. Last year, CBSA's Anti-dumping and Countervailing program helped protect 32,450 jobs in the Canadian industries and $6.93 billion in Canadian production.

The CBSA is also responsible for trade compliance which ensures that Canadian importers pay the correct duties and taxes on goods entering Canada. In 2010–2011, the CBSA continued to

make improvements to its risk methodology and verification process. These efforts have improved data quality which enables the CBSA to better monitor and identify any gaps with respect to importer compliance with trade legislation related to the importation of goods as well as the identification of gaps in existing trade policy. In addition, a national data collection and analysis system is now in place which allows for frequent, real-time comparisons of trade compliance data. With this information, the CBSA is better able to measure performance against benchmarks to make more informed decisions about the efficient allocation of resources in the Trade Program. This initiative responds to recommendations raised by the Office of the Auditor General in its fall 2010 report on Facilitating the Flow of Imported Commercial Goods. A quality assurance program has also been implemented and a new risking protocol is in development that will result in further improvements to the Agency's trade compliance activities

Program Activity: Recourse

The Recourse program activity provides the business community and individuals with an accessible redress process that ensures a fair and impartial review of decisions and actions taken in support of border services legislation. Through the fair, transparent and timely review of Trade program activity decisions and enforcement-related actions, the Recourse program activity ensures that the actions taken by CBSA officials accurately reflect CBSA policies, guidelines and legislation and contribute to the security, protection and economic prosperity of Canada. In addition, the Recourse program activity manages any further appeals of recourse decisions to the Canadian International Trade Tribunal and the courts. This program activity is also responsible for the management of Canadian Human Rights Commission cases involving allegations of discrimination from the public regarding the services provided by the CBSA.

Program Activity: Recourse

2010–11 Financial Resources ($ thousands)			2010–11 Human Resources (full–time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
9,011	12,022	9,396	106	88	18

Expected Result	Performance Indicators	2010–11 Performance	2009–10 Performance
A review process is available and accessible for the CBSA's trade administration decisions and enforcement-related actions.	▪ Percentage of reviews acknowledged within 30 days of receipt.	88%	85%
	▪ Percentage of decisions upheld, amended or cancelled by the CBSA.	Upheld: 55% Amended: 14% Cancelled: 31%	Upheld: 54% Amended: 13% Cancelled: 33%
	▪ Percentage of decisions rendered by recourse appealed to tribunals/courts* that were decided in the CBSA's favour (upheld, withdrawn or settled).	92%	97%

* Tribunals and courts include the Canadian International Trade Tribunal, Canada Agricultural Review Tribunal and Federal Court of Canada.

Performance Summary and Analysis of Program Activity

In 2010–11, the CBSA met its service standard of acknowledging requests for reviews within 30 days of receipt 88 percent of the time. This is a 3 percent improvement compared to 2009–10.

The Recourse program activity issued a total of 4,350 decisions related to trade administration and enforcement in 2010–11. Of these, 55 percent were upheld in favour of the Agency, 14 percent were amended and 31 percent were cancelled in favour of the appellant. Most requests for reviews were dealt with successfully by the CBSA. Only a small number of decisions were found to require review to a tribunal or a court. Of the cases reviewed by a tribunal or a court, 92 percent were decided in the CBSA's favour.

Lessons Learned

After analysing the percentage of decisions taken by the CBSA that have been amended or cancelled by the Recourse program, the CBSA began developing a feedback mechanism to provide the Agency with information to improve program or service delivery.

Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided specifically to a program.

Internal Services					
2010–11 Financial Resources ($ thousands)			2010–11 Human Resources (full–time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference*
578,784	687,650	663,880	4,279	3,234	1,045

* There is a variance between Planned and Actual Values for full-time equivalents in certain program activities due to the significant changes made to the CBSA's Program Activity Architecture structure in 2010–11, as well as changes in the methodology used in assigning full-time equivalents to specific program activities. Measures have been taken to ensure future full-time equivalents numbers are accounted for in a consistent manner.

Implement the new organizational and governance structure based on clear accountabilities, which will improve program management and delivery, and launch a new corporate brand and a functional management model.

In 2010–11, the CBSA engaged in a number of transformational initiatives to improve its organizational management capacity.

The CBSA completed a reorganization process to clarify program accountabilities and responsibilities. Headquarters is now fully responsible for policy and program development, while regional operations are accountable for program and service delivery. The Agency also streamlined its governance structure to promote more timely and responsive decision making, and established a stronger regional presence on committees to better integrate regional perspectives.

A branding initiative was launched in 2010–11 to build and define the Agency's image and identity. Brand visuals were applied to the Agency's publications and uniforms for border services officers. The new brand establishes a sense of unity amongst employees and reinforces the Agency's public image.

The Agency implemented the new functional management model to ensure that performance expectations are met through a priority- and risk-based allocation of resources. In 2010–11, ten national program streams were established and incorporated into the Agency's business planning structure as a part of the Agency's three-year transition to activity-based planning and costing. A readiness assessment conducted in March 2011 found that all program streams have made solid progress towards the full implementation of the new management model.

In 2010–11, the Agency also began the comprehensive implementation of its Budget 2010 approved Strategic Review Reallocation Initiatives, the targeted savings of which would help to address the broader Government of Canada priority of returning to a balanced federal budget.

The Agency also made improvements to its program delivery capacity. In 2010–11, the Agency implemented service standards for its corporate functions to ensure service quality and continued improvement. The Agency continued to build its management control framework to facilitate effective program delivery and efficient use of resource through initiatives such as an investment framework for asset renewal and new technology initiatives and an automated revenue program. The Agency also updated its information technology systems to strengthen financial forecasting and management of leave capacities.

Implement the Agency's Human Resources Management Plan so that the Agency has the right people with the right skills in the right jobs, including performance measurement to strengthen program stewardship and service delivery.

In 2010–11, the CBSA launched a Talent Management program at the executive level to identify succession planning priorities and help form training strategies and tools to develop leadership capacity across all levels. The Agency's next step is to expand talent management to middle management.

To foster continuous learning, the CBSA implemented the Training and Learning Framework to support employee development. The framework established regional training campus structures and resource allocation models and developed new employee learning paths. A new learning management system was launched to support learning plan development and course registration.

The Agency continued to move forward in the development of a people management framework by implementing standardized work expectations for employees in the Chief and Superintendent community. This initiative ensures that roles and responsibilities are clearly defined and that a clear direction is set for the professional development of border service officers.

The Agency continued to actively engage employees through the Change Agenda. In 2010–11, senior management launched the second phase of the Change Agenda and met with regional employees to discuss the next steps in the Agency's transformation. Through the Change Agenda, the Agency continues to develop as a dynamic, responsive and service-oriented organization and fulfills its Public Service Renewal commitments.

Canada's Economic Action Plan

In 2010–11, the CBSA continued to progress in its infrastructure replacements and upgrades to ensure that the Agency is equipped to reliably process the volume of goods and people entering Canada within border wait time standards. In British Columbia, the Agency completed improvements to office facilities at Pacific Highway and Huntington. The Agency also completed housing facilities in Pleasant Camp, British Columbia, and Little Gold Creek, Yukon, to support the Doubling-up Initiative, which ensures that border service officers do not work alone, even in remote areas. Construction continues on various infrastructure projects at Kingsgate, British Columbia, and Prescott, Ontario, the new commercial examination warehouse at Pacific Highway, as well as housing units in Beaver Creek, Yukon. The Agency anticipates that these projects will be completed by 2011–12 as planned.

Canada's Economic Action Plan					
2010–11 Financial Resources ($ thousands)			2010–11 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
42,377	42,377	17,584	-	-	-

SECTION III: SUPPLEMENTARY INFORMATION

FINANCIAL HIGHLIGHTS

For financial reporting purposes, the activities of the Agency have been divided into two sets of financial statements: Agency Activities and Administered Activities. The financial statements for Agency Activities include those operational revenues and expenses that are managed by the Agency and utilized in running the organization. The financial statements for Administered Activities include those revenues and expenses that are administered for entities other than the Agency (e.g. the federal government, a province or territory, or another group or organization). The purpose of this distinction is to more accurately represent the actual cost of Agency operations from those revenues that are administered on behalf of the Government of Canada.

Comparative figures have been reclassified to conform to the current year's presentation. The 2009–10 amounts for the Agency Activity financial statements have been restated as the Agency adopted retroactively for the revised Treasury Board Accounting Standard (TBAS) 1.2: Departmental and Agency Financial Statements, which is effective for the Agency for the 2010-11 fiscal year. The major change in the accounting policies of the Agency Activities required by the adoption of the revised TBAS 1.2 is the recording of amounts due from Consolidated Revenue Fund as an asset on the Statement of Financial Position. The 2009–10 amounts have been restated for comparative purposes. The financial statements for Administered Activities have also been restated due to unrecorded revenues from prior years which warranted a retroactive entry.

Agency Activities

($ thousands) Condensed Statement of Financial Position For the period ending March 31, 2011	Percent Change %	2010–11	2009–10
Financial assets	-17.5	92,523	112,185
Non-financial assets	9.9	461,256	419,727
Total assets	4.1	553,779	531,912
Total liabilities	-1.1	411,691	416,125
Total equity	22.7	142,088	115,787
Total liabilities and equity	4.1	553,779	531,912

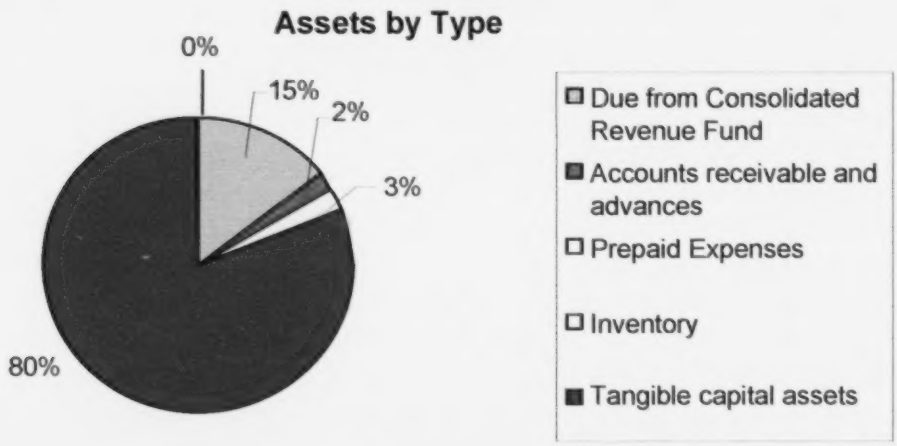
($ thousands) Condensed Statement of Financial Operations For the period ending March 31, 2011	Percent Change %	2010–11	2009–10
Total expenses	2.0	1,844,007	1,808,618
Total revenues	-24.3	19,603	25,894
Net results	2.3	1,824,404	1,782,724

Administered Activities

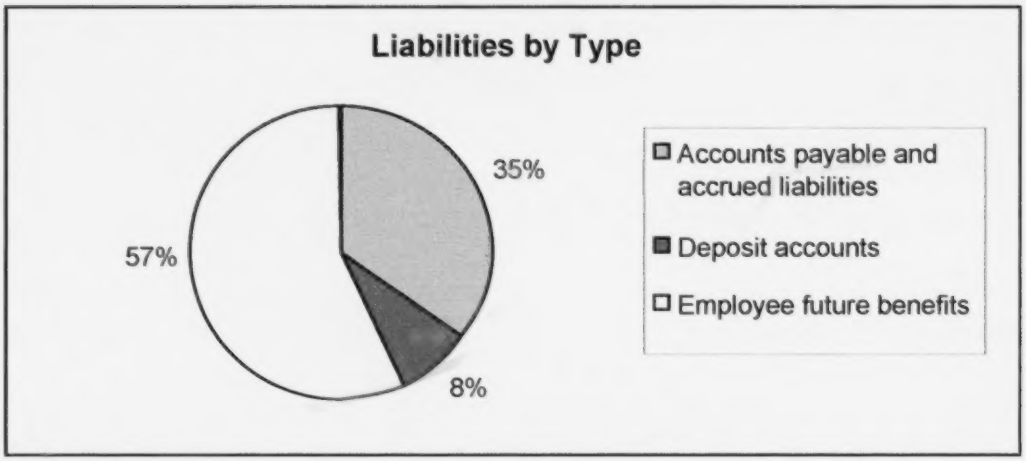
($ thousands) Condensed Statement of Administered Assets and Liabilities For the period ending March 31, 2011	Percent Change %	2010–11	2009–10 (Restated)
Total administered assets	-35.0	3,084,691	4,744,427
Total administered liabilities	159.8	211,929	81,561
Net amount due to the Consolidated Revenue Fund (CRF) on behalf of the Government of Canada	-38.4	2,872,762	4,662,866
Total administered liabilities and net amount due to the CRF on behalf of the Government of Canada	-35.0	3,084,691	4,744,427

($ thousands) Condensed Statement of Administered Revenues For the period ending March 31, 2011	Percent Change %	2010–11	2009–10 (Restated)
Total tax revenues	10.0	23,199,697	21,068,273
Total non-tax revenues	-54.2	16,975	37,054
Less: bad debts	-137.0	-10,049	27,146
Net results	10.0	23,226,721	21,078,181

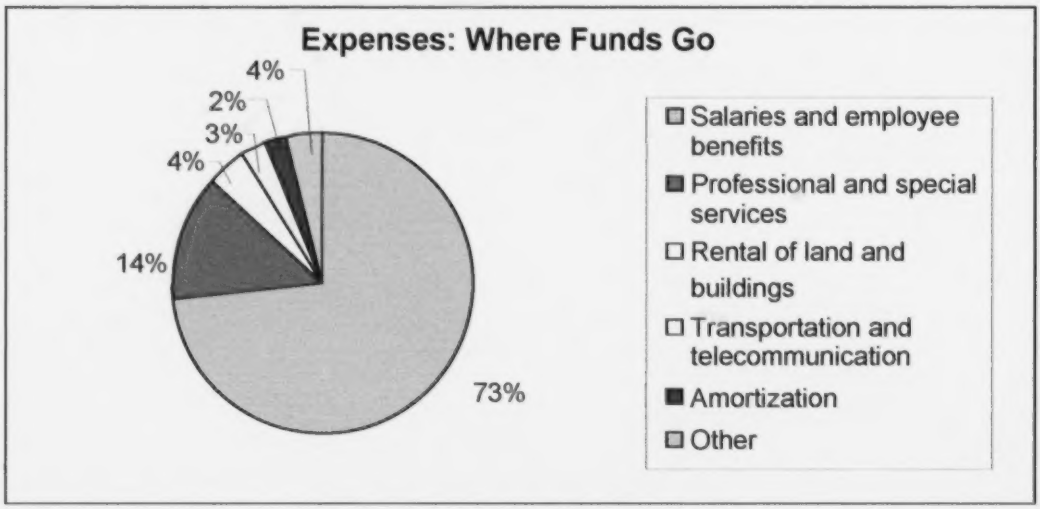
FINANCIAL HIGHLIGHTS CHARTS – AGENCY ACTIVITIES



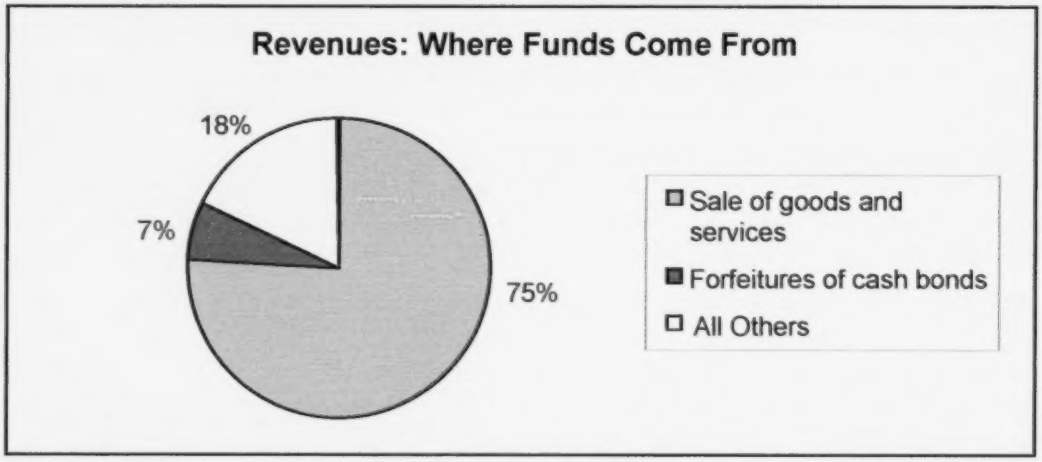
As per the Agency Activity financial statements, total assets were $554 million at the end of 2010–11, an increase of $22 million (4.1 percent) over the total assets of $532 million for 2009–10. Financial Assets (due from Consolidated Revenue Fund, and accounts receivable and advances) have decreased by $20 million (17 percent) mainly due to a decrease in Employee Benefit Play payable at year end. Non-financial assets (prepaid expenses, inventory, and tangible capital assets) represent the largest portion at $461 million (83 percent) of total assets.



Agency total liabilities were $412 million at the end of the 2010–11, a decrease of $4 million (1 percent) over the total liabilities of $416 million for 2009–10. Employee future benefits represent the largest portion of liabilities at $236 million (57 percent) of total liabilities.

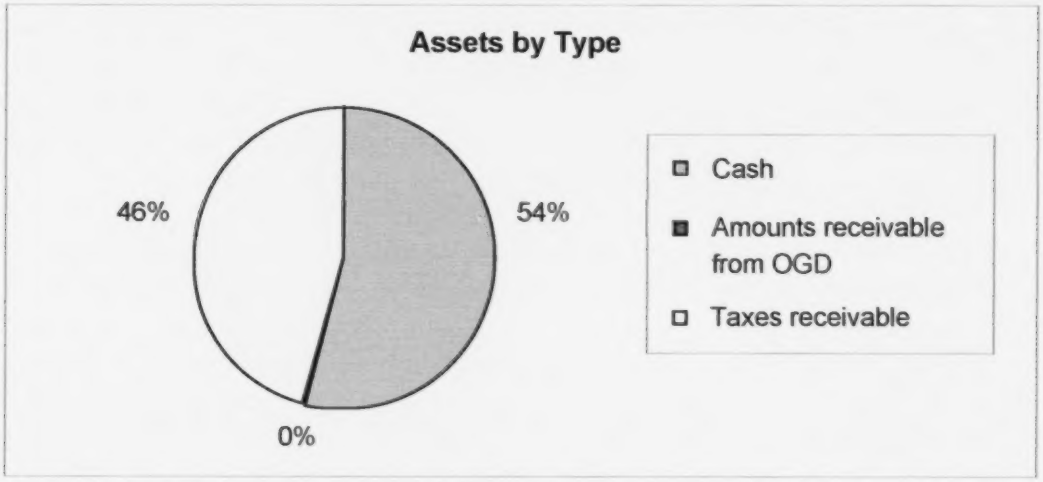


Agency Activity total expenses were $1.844 billion for 2010–11, an increase of $35 million (2.0 percent) over the total expenses of $1.809 billion for 2009–10. The majority of the funds, $1.343 billion (73 percent), were spent on salaries and employee benefits.

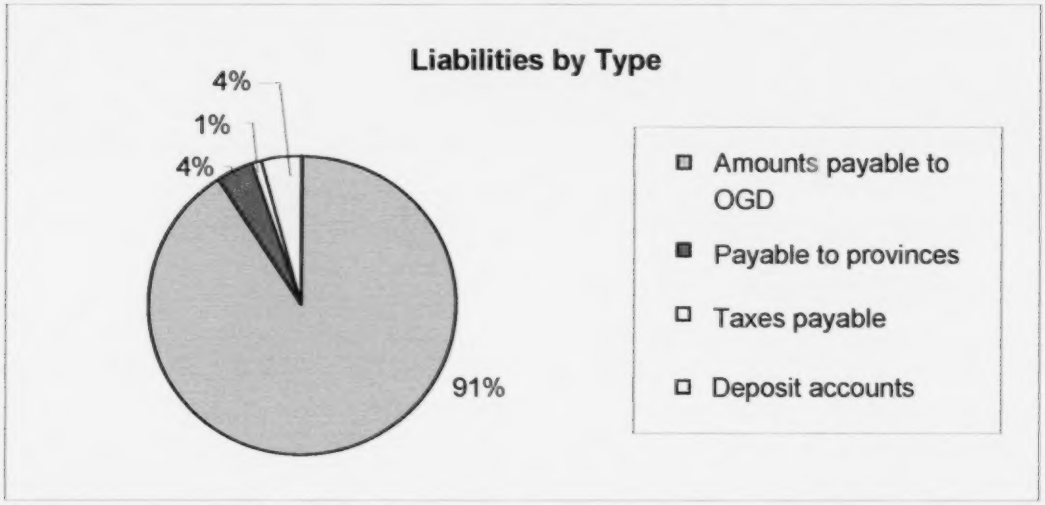


Revenues reported within the Agency Activity financial statements were $20 million for 2010–11, a decrease of $6 million (24 percent) over the total revenues of $26 million for 2009–10. This decrease is mainly due to the combination of provincial sales tax and goods and services tax in British Columbia and Ontario. Most of the revenues, $15 million (75 percent) were generated from the sale of goods and services.

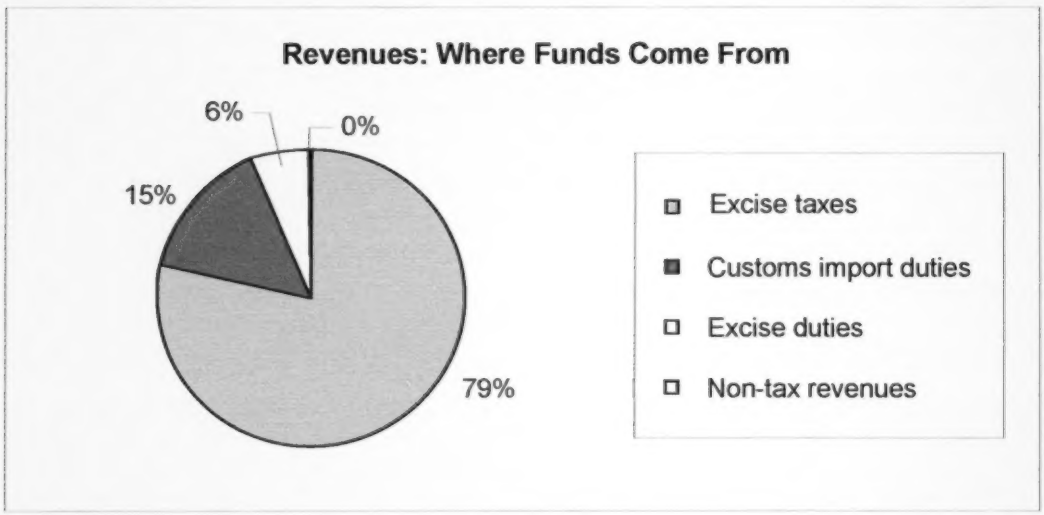
FINANCIAL HIGHLIGHTS CHARTS – ADMINISTERED ACTIVITIES



The CBSA's administered assets were $3,084 million at the end of 2010–11, a decrease of $1,660 million (35 percent) over the total assets of $4,744 million for 2009–10. This is due to the elimination of a large goods and services tax/harmonized sales tax receivable from the Canada Revenue Agency in 2010–11. Cash and taxes receivable represent the largest portion at $3,079 million (greater than 99 percent) of the CBSA's administered assets.



Administered by total liabilities were $212 million at the end of 2010–11, an increase of $130 million (160 percent) over the total liabilities of $82 million for 2009–10. This is a result of an increase in harmonized sales tax payable to the Canada Revenue Agency as a result of the implementation of the harmonized sales tax in Ontario and British Columbia in July 2010. Amounts payable to other federal government departments and agencies represents the largest portion of liabilities at $192 million (91 percent) of total liabilities.



The CBSA's total administered revenues were $23,217 million for 2010–11, an increase of $2,111 million (10 percent) over the total revenues of $21,105 million for 2009–10. The economic recovery in 2010–11 primarily contributed to the increase in revenues. Most of the revenues, $18,265 million (79 percent) were generated from excises taxes on imported goods.

FINANCIAL STATEMENTS

The CBSA's financial statements are available on the Agency's website at http://www.cbsa-asfc.gc.ca/agency-agence/reports-rapports/menu-eng.html#fs-cf.

List of Supplementary Information Tables

All electronic supplementary information tables found in *2010–11 Departmental Performance Report* can be found on the Treasury Board of Canada Secretariat website.[2]

- Sources of Respendable and Non-Respendable Revenue
- User Fees Reporting
- Status Report on Projects Operating with Specific Treasury Board Approval
- Status Report on Major Crown/Transformational Projects
- Horizontal Initiatives
- Green Procurement
- Response to Parliamentary Committees and External Audits
- Internal Audits and Evaluation

[2] See 2010–11 Part III—Departmental Performance Reports (DPR): Supplementary Information (Tables), http://www.tbs-sct.gc.ca/dpr-rmr/2010-2011/index-eng.asp.

SECTION IV: OTHER ITEMS OF INTEREST

INFORMATION AND CONTACTS

To contact the CBSA and for more information on its activities, please visit the Agency's website at **http://www.cbsa-asfc.gc.ca**. Links to other websites of interest are provided below.

Canada Revenue Agency website: **http://www.cra-arc.gc.ca/**
Canadian Food Inspection Agency website: **http://www.inspection.gc.ca/**
Canadian Security Intelligence Service website: **http://www.csis.gc.ca/**
Citizenship and Immigration Canada website: **http://www.cic.gc.ca/**
Department of Finance Canada website: **http://www.fin.gc.ca/**
Foreign Affairs and International Trade Canada website: **http://www.international.gc.ca/**
Health Canada website: **http://www.hc-sc.gc.ca/**
Public Safety Canada website: **http://www.publicsafety.gc.ca/**
Royal Canadian Mounted Police website: **http://www.rcmp-grc.gc.ca/**
Transport Canada website: **http://www.tc.gc.ca/**